



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

April 19, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

REQUEST FOR AUTHORITY TO NEGOTIATE A 25-YEAR GROUND LEASE OF APPROXIMATELY 128,500 SQUARE FEET OF LAND AT THE MALIBU CIVIC CENTER AT 23555 CIVIC CENTER WAY, MALIBU (THIRD DISTRICT) (3 VOTES)

SUBJECT

Approval of the recommended action will authorize the Chief Executive Office to negotiate a 25-year ground lease of approximately 128,500 square feet of land at the Malibu Civic Center with the Santa Monica Community College District.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Chief Executive Office to enter into negotiations with the Santa Monica Community College District for a 25-year ground lease agreement to provide approximately 128,500 square feet of land at the Malibu Civic Center at a total cost of \$4,369,665 and present the proposed lease to the Board of Supervisors for consideration by January 17, 2012, or have the discretion to discontinue negotiations after that date.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

This action will allow the Chief Executive Office (CEO) to negotiate a ground lease of approximately 128,500 square feet of land on the Malibu Civic Center campus, at the former Sheriff's facility, with the Santa Monica Community College District (SMCCD), which has requested use of the property for construction by SMCCD of an educational instruction facility of approximately 20,000 square feet. Should the CEO not be able to

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

"To Enrich Lives Through Effective And Caring Service"

***Please Conserve Paper – This Document and Copies are Two-Sided
Intra-County Correspondence Sent Electronically Only***

negotiate a ground lease, and present the proposed lease to your Board for consideration by January 17, 2012, the CEO may discontinue negotiations with SMCCD.

SMCCD proposes to demolish the former Sheriff's Station in order to construct the educational instruction facility. Leasing the subject property will eliminate ongoing maintenance costs and County exposure to liability related to ownership of the vacant former Sheriff's Station.

FISCAL IMPACT/FINANCING

Based upon an appraisal of similar properties in the Malibu area dated December 28, 2009, the appraiser has determined that the current fair market value of this property is \$34 per square foot. This value was used to develop a value upon which the lease rate was determined. The appraisal was based on the Sales Comparison approach which takes into account reasonably comparable properties that have sold in the open market. The properties reviewed ranged in size from 5.15 to 24.31 acres, as it is believed that acreage sales are more appropriate comparisons than lot and tract sales.

The CEO is recommending that negotiations commence pursuant to the following proposed terms.

	Proposed Terms of Ground Lease To Be Negotiated
Lessee	Santa Monica Community College District
Address of Property	23555 Civic Center Way, Malibu
Area	128,500 Square Feet
Term of Lease	25 years
Total Cost	\$4,369,665
Option to Renew	Fourteen 5 year options under same terms except rent at \$1.00 per year
Parking	Sufficient parking for access to Civic Center and a reciprocal parking easement will be negotiated

The County will seek to have SMCCD prepay the equivalent of the entire net present value of the leasehold, totaling \$4,369,665, by requiring SMCCD to pay for and perform the demolition of the former Sheriff's Station and other County improvements on the leasehold. Additionally, the County will seek to require SMCCD to pay for and perform some portion of the County's compliance with effluent and storm water treatment requirements for the remainder of the Malibu Civic Center property, up to the remainder of the total cost after demolition costs. The parties will work together to identify an appropriate project or portion thereof that meets the latter requirement.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The County's Malibu Civic Center is located in the City of Malibu and comprises 9.18 acres. The subject 128,500 square foot parcel is part of the Civic Center. The Civic Center is improved with two primary buildings that together comprise 85,260 square feet of space. The main building houses a Courthouse, Public Library and office space for the County's Department of Public Works. The second building is the site of a former Sheriff's Station and is a freestanding building. The former Sheriff's Station was decommissioned in 1991 when the Sheriff's Department moved to the Lost Hills Sheriff Station replacement facility located in the City of Calabasas.

A separate utility building serves both the main building and the former station and provides heating and cooling equipment services. In addition, the property includes a garage and fueling station and a Federal Aviation Administration-approved heliport and employee and public parking. As a condition of leasing the property, any buildings built by the SMCCD would need to be designed and constructed so as to not interfere with the County's ownership or use of these retained facilities. A communications tower will either be left in place or the County will seek to have SMCCD incorporate a replacement tower into the SMCCD facility design at SMCCD's expense.

SMCCD operates Santa Monica College (SMC), a two-year community college that currently offers more than eighty fields of study to approximately 30,000 students at its Santa Monica campus and nearby satellite locations. This year, SMC began offering courses for credit at a Malibu elementary school near the subject site. Voters in the SMCCD, which includes the City of Malibu, approved a \$135 million bond measure in 2004 that included \$25 million for an instructional facility in Malibu. The proposed project would be designed to fulfill this goal. SMCCD proposes to construct a building on the Malibu Civic Center property that is approximately 20,000 square feet in size, to serve as a satellite campus.

In general, the County will require that any improvements be architecturally compatible with existing facilities. The County will have the opportunity to review the site plan of the proposed improvements. The County will also have the right to approve the parking/circulation concept in order to ensure continued access to, and availability of parking for, the remaining Civic Center facilities, and in satisfaction of its parking obligations with respect to the Superior Court. Sufficient parking for access to the Civic Center and a reciprocal parking easement agreement will need to be negotiated so that SMCCD operations do not interfere with County operations.

As a condition of leasing the property, the County will impose a use restriction that requires that the property be used only for public educational and/or governmental purposes compatible with existing Civic Center uses and such other purposes as are approved by the County.

The County will require that SMCCD include within its building at grade level up to 5,700 square feet for a Community Sheriff's Station and Emergency Operations and Planning Center. In addition, the County will require that the building include a classroom design that would facilitate conversion into an Emergency Operations Center (EOC) for local emergencies. Such space would contain closets for communications and other equipment, at County expense, that would be locked except during EOC operations and training programs.

The proposed lease of this property is authorized by Section 26227 of the California Government Code.

ENVIRONMENTAL DOCUMENTATION

Should the CEO and SMCCD successfully negotiate a proposed lease agreement for recommendation to your Board, appropriate environmental findings and/or documentation in compliance with the California Environmental Quality Act (CEQA) will be presented for your Board's consideration at that time. It is anticipated that the SMCCD will be the lead agency for the project for the purposes of CEQA.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no impact on current services or projects. The County will require SMCCD to re-route utilities in order to continue operations at the Civic Center upon demolition of the former Sheriff's Station.

The Honorable Board of Supervisors
April 19, 2011
Page 5

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return two certified copies of the Minute Order and the adopted, stamped Board letter to the CEO, Real Estate Division, 222 South Hill Street, Third Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. T. Fujioka', with a stylized flourish at the end.

WILLIAM T FUJIOKA
Chief Executive Officer

WTF:RLR
WLD:CB:ls

c: Executive Officer, Board of Supervisors
County Counsel
Auditor-Controller

RFA-Malibu Civic Center